



Small Purchase Charge Card Program Policy & Procedure

EFFECTIVE DATE: 09/21/2005, v3

PURPOSE: To document the Virginia Information Technologies Agency's (VITA's) implementation of and internal controls for the Small Purchase Charge Card Program.

SCOPE: All VITA Employees

**STATEMENT
OF POLICY:**

The Small Purchase Charge Card (SPCC) Program is intended to streamline the procedure for procuring and paying for small dollar goods and services. The program reduces the volume of accounts payable transactions and the associated administrative costs by eliminating vendor invoices and consolidating multiple vendor payments into one monthly payment to the SPCC vendor.

The Department of Accounts (DOA) is responsible for the overall management of the SPCC Program for the Commonwealth and its policy, as outlined in the CAPP Manual – Topic 20355, applies. The CAPP Manual is available online at <http://www.doa.virginia.gov/procedures/AdminServices/capp/pdfdocs/20355.pdf>

VITA is ultimately responsible for employees' use of the SPCC and therefore, to ensure proper controls, adherence to the following policy statements is required:

1. SPCC may be issued to full or part time employees, but not to contract workers.
2. The SPCC shall be used to purchase goods and services for VITA operations with a \$5,000 limit per transaction. Not all cardholder's will have the \$5,000 maximum transaction limit, and each cardholder's total monthly limit is set by their supervisor. VITA employees are strongly encouraged to use their SPCC when placing orders through eVA and to make concerted efforts to utilize vendors who will accept the SPCC.
3. The SPCC shall not be used to purchase software, unless written approval is received from SCM in advance. Attachment G (Dos and Don'ts) outlines the acceptable uses of the SPCC.
4. The SPCC shall not be used to purchase personal items or business travel expenses such as restaurants, gasoline, hotel rooms or car rental. Airline and train tickets are acceptable uses if this use of the card is approved by the cardholder's supervisor. Before using the SPCC for airline or train tickets, please refer to the CAPP Manual for more details. An email shall be sent to the SPCC Administrator by the cardholder's supervisor requesting that the restriction be lifted for airline and train tickets.
5. The SPCC shall not be used to circumvent any procurement policies or guidelines such as DGS's Agency Procurement and Surplus Property Manual (APSPM). All purchases shall be made in accordance with the *Virginia Public Procurement Act (VPPA)*.
6. Cardholders may not purchase goods and services from SPCC suppliers that are already offered by Correctional Enterprises, Department for the Visually Handicapped, VDOT, DPS/Virginia Distribution Center, or the DGS Office of Graphic

Communications. None of these DGS mandatory supply sources accept the SPCC. See Attachment F for a list of mandatory sources.

7. The SPCC may not be used to pay for goods or services provided by another state agency if payment can be made by Interagency Transfer (IAT).
8. With the exception of buyers in Supply Chain Management (SCM), cardholders may not purchase goods or services for other Directorates. For example, a cardholder in Financial Management Services cannot purchase items for an employee in Business Systems Services.
9. Each Director will designate one or more individuals as holders of the SPCC for their Directorate. These individuals will be allowed to make small purchases, up to \$5,000 depending on the limit established by their supervisor, for goods and services in accordance with this policy. Each cardholder will be trained in the use of eVA by the Department of General Services or Supply Chain Management (SCM). All purchases shall be done in eVA except when the cardholder actually goes to the place of business and picks up the item and pays at the location. Personal computers, printers, telecom equipment and other managed assets should not be purchased over the counter if at all possible and should be ordered through eVA.
10. The SPCC shall be used only by the cardholder to whom it was issued. Sharing of the card will result in a three month suspension of card privileges. Additional infractions may result in termination of SPCC privileges or other disciplinary action.

STATEMENT OF PROCEDURE:

SCM will designate an SPCC Program Administrator. The authorization form (See Attachment A) will be completed and forwarded to the Department of Accounts. The Program Administrator's responsibilities are outlined in the CAPP Manual.

To ensure successful implementation of VITA's SPCC program we will follow the following procedures:

A. Card Issuance, Cancellation, and Changes.

An SPCC will be issued to each individual who has been designated by his or her Director. Directors shall submit the SPCC Corporate Purchasing Card Request form (Attachment B) to the SPCC Program Administrator. The Director shall provide documentation to the Program Administrator supporting the justification for issuing the SPCC, including an analysis of the type and level of activity per transaction and per month to establish proper limits. The maximum limits are \$5,000 per transaction and \$100,000 total expenditures per month **but the cardholder limits should be established at the lowest necessary level.**

The SPCC will be issued in the name of the designated individual. The cardholder must sign an Employee Agreement form (Attachment C) agreeing to comply with the terms and conditions associated with the use of the SPCC and submit to the Program Administrator. Upon completion of the Employee Agreement, the Program Administrator will obtain a card for the employee. The employee should receive the card in 7 to 14 days via US mail from the Program Administrator. The SPCC will not be activated until the Program Administrator has received the completed Employee Agreement form (attachment C). Upon the renewal of the SPCC, the cardholder will again sign and submit the Employee Agreement form (Attachment C).

Upon request by the Program Administrator or the cardholder's supervisor or upon termination of employment, each cardholder must return the SPCC to the Program Administrator. It is the Director's responsibility to ensure that the terminated employee returns the SPCC to the Program Administrator.

Additionally, when any changes to an existing SPCC are necessary, contact the Program Administrator. When a new SPCC is required, the cardholder should receive the replacement card within 7-10 business days via US mail.

B. Security:

The SPCC shall be kept in an accessible but secure location. The account number on the SPCC shall not be posted or left in a conspicuous place.

If a cardholder's SPCC is lost or stolen, the cardholder must immediately notify his/her Director and the Program Administrator.

C. General Requirements For Card Usage:

Each cardholder must maintain a log of all purchases made with the SPCC (Attachment D). Each transaction is to be recorded on the log at the time of purchase. A new purchasing log shall be created for each billing cycle in which there is purchasing activity.

To use the card, the cardholder must:

1. Attempt to purchase the good or service through eVA. An SPCC cardholder can place orders through eVA with suppliers that accept the SPCC. (For eVA training, please contact the Program Administrator.)
2. If the purchase is urgent or an emergency, the cardholder can make a "Point of Sale" purchase which involves going to the supplier's place of business and purchasing the product. Notify the vendor of the State's non-taxable status. The supplier will verify the account number with the SPCC vendor, and the spending limit will be checked electronically for compliance with applicable limits.
3. On-line purchases, outside of eVA, may be made only when the vendor does not participate in eVA AND the product is available ONLY through an online order process utilizing a charge card. The cardholder must get written authority (email acceptable) from an SCM manager prior to making any such purchase.
4. Retain all documentation pertaining to the purchase including email advice or online confirmation. When the supplier delivers the order, documentation of the purchase (such as a sales receipt, packing slip, or invoice) should accompany the order. This documentation must be kept in the file for reconciliation to the monthly charge statement.
5. The log must be forwarded at the end of each billing cycle to Accounts Payable, Financial Management Services Directorate along with the supporting documentation.

D. Returns, Credits, and Disputed Items:

In most cases, disputes can be resolved directly between the cardholder and the supplier of the goods or services. The cardholder must use the following guidelines when returning an item:

1. If an item needs to be returned for any reason, the cardholder should send the item back to the supplier in the manner agreed upon.
2. The supplier should issue a credit for items that are returned. This credit will appear on a subsequent SPCC statement.
3. Documentation of the return (such as a credit receipt) should be issued by the supplier and all documentation pertaining to the return must be kept on file for reconciliation to the monthly SPCC statement. Items purchased at a supplier's location cannot be returned for cash or an in-store credit. Returns must be credited against the card.
4. The return should be entered in the purchasing log.
5. If the cardholder and the supplier cannot resolve an issue, the cardholder should contact the SPCC vendor. The SPCC vendor will investigate the dispute on the cardholder's behalf and assist in the resolution. A temporary credit will be issued pending final resolution by the SPCC vendor.

E. Reconciliation of the SPCC Statement:

Each cardholder is responsible for maintaining documentation to substantiate each purchase and return with the aid of the purchasing log and, reconciling each purchase to the monthly SPCC statement. The following guidelines are to be used for monthly reconciliation:

1. Each cardholder shall go to www.genetservice.com after the 16th of each month to print off their statement. The monthly statement must be compared to the purchasing log to verify that each purchase and return is accurately listed on the statements.
2. All documentation pertaining to purchases and returns must be compared with and matched to detailed transactions listed in the SPCC statement.
3. Discrepancies shall be noted in the purchasing log for subsequent resolution.
4. The SPCC Statement, Purchasing Log, supporting documentation and the Statement Cover Sheet (Attachment E) must be forwarded to Accounts Payable within three (3) working days of receipt of the SPCC Statement. The Statement Cover Sheet must be signed by the cardholder and approved by the cardholder's cost center manager or designee.
5. All SPCC records will be kept for five years in accordance with the VITA Records Retention policy.
6. Even if there is no activity on the card, the cardholder should submit a log to Accounts Payable.

F. Audit:

Cardholders can use the list of Dos and Don'ts (Attachment G) as a guide to ensure effective audits. SPCC cardholder's purchasing activity will be subject to annual reviews by their supervisors and periodic audits by SCM. Sample SPCC review procedures are outlined in Attachment H. An annual assessment of cardholder activity and spending limits must be performed by supervisors and certified by the Program Administrator. The Template for Annual Spend Analysis in Attachment H may also be utilized by the supervisor for this purpose.

Users who exceed their transaction limit, or who allow their card to be used by others, except as allowed by DOA policy or by this policy and procedures, will have their charge card suspended for a period of three months.

ASSOCIATED
POLICY:

VITA SCM Procurement of Goods and Services Policy

AUTHORITY
REFERENCE:

CAPP Manual, Section 20355, "Purchasing Charge Card"
APSPM, Section 5.2, "Charge Cards for Small Purchases" Text

OTHER
REFERENCE:

None

ATTACHMENTS:

- A. GE MasterCard Corporate Purchasing Card, Delegation of Authority
- B. GE MasterCard Corporate Purchasing Card Request
- C. Small Purchase Charge Card, Employee Agreement
- D. GE MasterCard Purchase Log Sheet
- E. VITA Statement Cover Sheet for Payment
- F. Mandatory Sources
- G. Small Purchase Charge Card Program "Dos and Don'ts"
- H. Small Purchase Charge Card Review Procedures

ATTACHMENT A
GE MasterCard
CORPORATE PURCHASING CARD
DELEGATION OF AUTHORITY

Corporate SPCC Master Account No.: _____

I, _____, an Authorizing Officer of the Virginia Information Technologies Agency (the "Agency") hereby authorize the following individual(s) to act on behalf of the Agency in authorizing the applications of Agency employees for an GE MasterCard Corporate Purchasing Card on the Agency's Account indicated above.

AUTHORIZED PROGRAM ADMINISTRATOR

The individual listed below is hereby designated as an Authorizing Officer for this limited purpose only. It is understood by the Agency that this delegation of authority constitutes acceptance by the Agency of the terms and conditions of the Corporate SPCC Account Agreement for each applicant so authorized pursuant to this Agreement.

Authorizing Officer* (Please Print)

Designee*** (Please Print)

Signature

Signature

Date

Date

Telephone Number

Telephone Number

* Agency Head or Designee

*** Agency Procurement Director or Designee

ATTACHMENT B
GE MasterCard
CORPORATE PURCHASING CARD
CARD REQUEST

Date of Request:

Agency Organizational Unit:

Cost Center:

To:

Program Administrator

From:

Unit Manager/Supervisor

A purchasing charge card is hereby requested for the following employee under my supervision.

Name as it should appear on the card:

Employee's Job Title:

Employee's Work Phone:

Agency Code:

Work Mailing

**Address: (Includes
Both USPS and
Package delivery
Information.)**

I hereby certify that I have examined this employee's duties and estimate that the purchasing card will be used for approximately _____ transactions per month at a dollar value range of _____ to _____ per transaction. **(NOTE: A "transaction" is one order placed with a vendor who accepts the card.)**

Based on these estimates, I am requesting limits _____ per transaction (not to exceed \$5,000) and _____ total per month (not to exceed \$100,000) be placed on this card. I will examine the cardholder's activities at least annually and provide written recommendations regarding limit changes. I further certify that I will review and approve this transactions and supporting documentation on a monthly basis.

Signature Section

Supervisor's Signature: _____ Date: _____

Supporting Documentation Attached: ☐

ATTACHMENT C

GE MasterCard CORPORATE PURCHASING CARD

Small Purchase Charge Card Employee Agreement

I, _____, **acknowledge receipt of a GE MasterCard Charge Card.**
As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the SPCC:

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of my agency and will strive to obtain the best value for the agency by using any "preferred suppliers" as identified by the Purchasing Department.
2. I understand that my agency is liable to the SPCC vendor for all charges made on the SPCC.
3. I agree to use the SPCC for approved purchases, and agree not to charge personal purchases. I understand that my agency will review the use of the SPCC and the related management reports and take appropriate action on any discrepancies.
4. I will follow the established procedures for the use of the SPCC. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.
5. I agree to return the SPCC immediately upon request or upon termination of employment. Should there be any organizational change, which causes my cost center to likewise change, I also agree to return my Card and arrange to obtain a new one, if appropriate.
6. If the Card is lost or stolen, I agree to notify the SPCC Administrator and the SPCC vendor immediately.
7. I understand that my authority is limited to \$_____per transaction and expenditures are limited to \$_____per month.
8. I understand that in order to properly purchase goods and services through the internet, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. To ensure the vendor has a SSL, the address window must start with https://. I will record the vendor's website address on the purchasing log in the Remarks section.
9. I understand that in order to properly purchase goods and services, I must use eVA for those purchases that qualify and record the PCO (Purchase Card Order) number on the purchasing log.

Employee Signature/Date

Agency and Cost Center

Directorate Director Signature/Date

Agency Address

SPCC Administrator Signature/Date

ATTACHMENT D

**GE MasterCard
CORPORATE PURCHASING CARD**

Purchase Log Sheet

Cardholder: _____

Cost Center Number: _____

From: _____ To _____

Cost Center Name: _____

Card Number: _____

Order Date	Vendor	Description of Purchase	Cost Center	Object Code	Amount	Date Received	Initials	Remarks and/or Website Address

ATTACHMENT E

**GE MasterCard
CORPORATE PURCHASING CARD**

***VIRGINIA INFORMATION TECHNOLOGIES AGENCY
STATEMENT COVER SHEET FOR PAYMENT***

to _____ (name of card)

Cost Center Name: _____

Cardholder Name: _____

Card Number: _____

Statement Closing Date: _____

Total Payment Amount: _____

I hereby certify that this payment is for goods and services purchased using an authorized GE MasterCard Corporate SPCC. These goods and services were purchased for official VITA business purposes and were purchased and received in accordance with State regulations.

Cardholder Signature: _____

Director Signature: _____

Cost Center	Code	Amount

ATTACHMENT F
GE MasterCard
CORPORATE PURCHASING CARD
MANDATORY SOURCES

State Contracts

- See Contract Master List for Mandatory State Contracts <http://www.eva.state.va.us>

Virginia Correctional Enterprises

- Furniture
- Office Systems
- Cleaning Products
- Textiles, Clothing
- Data Services
- Envelopes
- Letterhead
- Binders

Virginia Industries for the Blind

- Writing Instruments

Virginia Distribution Center

- Staple Foods/Canned and Dry
- Frozen Foods
- Perishable Foods
- Kitchen Supplies/Cutlery/Coolers
- Paper, plastic products, and Related Items
- Janitorial Products
- Laundry Products
- Textiles, Household Linens
- Salt/Ice melt (Except Table Salt)
- Paint Supplies

- Flags/Flag Accessories
- Library Supplies/Envelopes
- Forms/Fuses

Office of Graphic Communications

- Graphic Design Services
- Desktop Publishing
- Camera Ready Artwork

ATTACHMENT G

GE MasterCard CORPORATE PURCHASING CARD

SMALL PURCHASE CHARGE CARD PROGRAM DOs AND DON'Ts

DOs:

1. Do use the card to make purchases for goods and services up to \$5,000 per transaction.
2. Do use the card for approved purchases only.
3. Do retain all documentation pertaining to purchases.
4. Do enter the purchase information in your cardholder's purchasing log.
5. Do document all returns.
6. Do enter all returns in your cardholder's purchasing log.
7. Do log on to the GENetService website (Manage Your Account) to print off your monthly statement.
8. Do reconcile all purchases and returns to the monthly SPCC statement.
9. Do forward the SPCC Statement, Purchasing Log, and the Statement Cover Sheet to Accounts Payable within three (3) days of receipt of the SPCC Statement.

DON'Ts:

1. Don't use the SPCC for personal purchases. The card shall only be used for official state business.
2. Don't use the card for travel expenses.
3. Don't allow the card to be used by any other person and don't give the card number to other employees to make purchases on your behalf.
4. Don't use the card for printers, PCs, or servers without written permission of a SCM manager.
5. Don't use the card for purchases of Software
6. Don't use the card to circumvent mandatory sources (Attachment E).
7. Don't fax your GE MasterCard number to vendors
8. Don't pay Virginia Sales Tax on goods and services. This does not apply to prepared foods. Cardholders are responsible for informing suppliers of the Commonwealth's tax exempt status when making purchases. To avoid payment of state tax, use the following tax exempt number: 54-73-0076K

9. Don't exceed your transaction dollar limit or monthly dollar limits.
10. Don't split up invoices or purchases in order to circumvent the per transaction or monthly limits.

ATTACHMENT H

GE MasterCard CORPORATE PURCHASING CARD

SMALL PURCHASE CHARGE CARD REVIEW PROCEDURES

1. Go to Accounts Payable on a monthly basis and pull the previous month's bill. In selecting the cardholder, consider the balance, the activity, the previous review, and whether the person is a new cardholder. Each cardholder is subject to periodic reviews, and all cardholders will be reviewed annually.
2. For the cardholders selected, perform the following steps:
 - a) Ensure that the cardholder did not allow their card to be shared with another employee. If an employee knowingly allows another employee to use their card, the cardholder's account will be suspended for three months.
 - b) Reconcile the transactions with the log and the bill.
 - c) Check to see that a receipt or other documentation of the transaction, such as a copy of the online page from a website order, is attached to the log for each transaction.
 - d) Determine that the purchase was in accordance with State and VITA purchasing guidelines.
 - e) Check to see that the cardholder is accurately completing the cover sheet.
 - Verify that the proper Cost Center is referenced
 - Verify that totals match
 - Verify that proper object codes are used
 - Verify that credits are properly shown
3. Meet with the cardholder. Ensure that the card is kept in a secure place. Find out if others have access to the card. Discuss any problems the cardholder may have with the SPCC vendor.
4. Have the results approved and signed by either the SPCC Program Administrator or the Manager of Acquisition Services.

ATTACHMENT H (Con't)

**GE MasterCard
CORPORATE PURCHASING CARD**

SMALL PURCHASE CHARGE CARD REVIEW SHEET

Date of Review_____

Cardholder's Name_____

Billing Month Reviewed_____

Check for the following:

Circle One

- | | |
|---|--------|
| 1. Log of transactions | Yes/No |
| 2. Receipt or record of each transaction | Yes/No |
| 3. Purchases are in accordance with policy and procedure. | Yes/No |
| 4. Note below any exceptions. | |

5. Check to see that the cardholder is accurately completing the cover sheet.

- | | |
|--|--------|
| ▪ Verify that the proper Cost Center is referenced | Yes/No |
| ▪ Verify that totals match | Yes/No |
| ▪ Verify that proper object codes are used | Yes/No |
| ▪ Verify that credits are properly shown | Yes/No |

6. Meet with the cardholder. Is card in a secure location? Yes/No

7. Do other users have access? Yes/No

Note any problems the cardholder may be having:

Review conducted by: _____

GE MasterCard
CORPORATE PURCHASING CARD

[illegible]

ATTACHMENT H (Con't)

GE MasterCard CORPORATE PURCHASING CARD

TEMPLATE FOR ANNUAL SPEND ANALYSIS

Small Purchase Charge Card History

Year	Month	Total Monthly Expenditures	Largest Single Transaction
	July	\$ -	\$ -
	August	\$ -	\$ -
	September	\$ -	\$ -
	October	\$ -	\$ -
	November	\$ -	\$ -
	December	\$ -	\$ -
	January	\$ -	\$ -
	February	\$ -	\$ -
	March	\$ -	\$ -
	April	\$ -	\$ -
	May	\$ -	\$ -
	June	\$ -	\$ -